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PAGES 1663 - 1689

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

DIGITAL REG OF TEXAS, LLC

PLAINTIFF,) NO. C-12-1971 CW

VS.) MONDAY, SEPTEMBER 8, 2014

ADOBE SYSTEMS, INC., ET AL.,) OAKLAND, CALIFORNIA

DEFENDANTS.) JURY TRIAL

BEFORE THE HONORABLE CLAUDIA WILKEN, JUDGE

REPORTER'S TRANSCRIPT OF PROCEEDINGS

APPEARANCES:

FOR PLAINTIFF: DINOVO, PRICE, ELLWANGER & HARDY LLP

7000 NORTH MOPAC EXPRESSWAY, SUITE 350

AUSTIN, TEXAS 78731

BY: ANDREW G. DINOVO, ESQUIRE

ADAM G. PRICE, ESQUIRE GREGORY DONAHUE, ESQUIRE JAY D. ELLWANGER, ESQUIRE NICOLE E. GLAUSER, ESQUIRE

BARTKO ZANKEL BUNZEL MILLER

ONE EMBARCADERO CENTER, SUITE 800 SAN FRANCISCO, CALIFORNIA 942111

BY: W. PAUL SCHUCK, ESQUIRE

ALSO PRESENT: MICHAEL FARLEY, COMPANY REPRESENTATIVE

(APPEARANCES CONTINUED)

REPORTED BY: DIANE E. SKILLMAN, CSR 4909, RPR, FCRR

OFFICIAL COURT REPORTER

TRANSCRIPT PRODUCED BY COMPUTER-AIDED TRANSCRIPTION

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      FOR DEFENDANT
                              WEILL, GOTSHAL & MANGES, LLP
      ADOBE SYSTEMS:
                               201 REDWOOD SHORES PARKWAY
                               REDWOOD SHORES, CALIFORNIA 94065
 5
                          BY: EDWARD R. REINES, ESQUIRE
 6
                               SONAL N. MEHTA, ESQUIRE
                               BYRON BEEBE, ESQUIRE
 7
      ALSO PRESENT:
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                        KAREN ROBINSON, IN-HOUSE COUNSEL
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      MONDAY, SEPTEMBER 8, 2014
                                                         8:35 A.M.
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                         PROCEEDINGS
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                THE CLERK: REMAIN SEATED. COME TO ORDER. COURT IS
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      IN SESSION.
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                THE COURT: GOOD MORNING.
               MR. ELLWANGER: GOOD MORNING.
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 7
               MR. REINES: GOOD MORNING.
 8
            (PROCEEDINGS HELD IN THE PRESENCE OF THE JURY.)
 9
                THE COURT: PLEASE BE SEATED.
10
          GOOD MORNING, LADIES AND GENTLEMEN. YOU HAD ASKED TO
11
      REVIEW THE PATENT VIDEO, SO WE HAVE THAT READY TO GO FOR YOU.
12
                              (VIDEO PLAYED.)
13
                THE COURT: ALL RIGHT.
14
          YOU ARE EXCUSED THEN TO CONTINUE YOUR DELIBERATIONS.
15
          HOPE YOU HAD A GOOD WEEKEND.
16
           (PROCEEDINGS HELD OUTSIDE THE PRESENCE OF THE JURY.)
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                THE COURT: ALL RIGHT.
18
           (RECESSED AT 8:50 A.M.; RESUMED AT 9:35 A.M.)
19
           (PROCEEDINGS HELD OUTSIDE THE PRESENCE OF THE JURY.)
                THE CLERK: REMAIN SEATED. COME TO ORDER. THIS
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21
      COURT IS BACK IN SESSION.
22
                THE COURT: SO WE HAVE A QUESTION: "IF A SPECIFIC
23
      CLAIM OF A PATENT IS INVALID, CAN THERE STILL BE INFRINGEMENT
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      ON THAT CLAIM?"
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           AND I GATHER YOU WERE UNABLE TO AGREE ON THE ANSWER TO
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THIS OUESTION. WHAT ARE YOUR RESPECTIVE PROPOSALS? 1 2 MR. ELLWANGER: YOUR HONOR --3 MR. REINES: YOUR HONOR --THE COURT: WE WILL START WITH THE PLAINTIFF. 4 5 MR. ELLWANGER: YES, YOUR HONOR. WE WOULD PROPOSE THAT THE JURY VERDICT FORM NOT BE 6 7 ALTERED. THERE WAS NO OBJECTION TO THE ORDER OF THE 8 QUESTIONS. AND WE WOULD PROPOSE THAT THE ANSWER BE: "YES, YOU NEED 9 10 TO ANSWER QUESTIONS, 1, 2, 3, AND 4 OF THE VERDICT FORM 11 REGARDLESS OF YOUR ANSWER TO ANY PARTICULAR QUESTION." 12 THE CLAIM COULD BE FOUND BOTH INFRINGED AND INVALID, AND 13 SHOULD THERE BE AN APPEAL OF THIS MATTER, A FINDING OF 14 INFRINGEMENT SHOULD THE VALIDITY POSITION BE OVERTURNED, COULD 15 SAVE THIS COURT THE TIME OF A RETRIAL ON AN INFRINGEMENT ISSUE 16 WHERE THE JURY'S ALREADY ISSUED ITS FINDING. 17 BECAUSE THERE WAS NO OBJECTION TO THE LAYOUT OF THE FORM AND IT IS CLEAR FROM THE FORM THAT THE JURORS HAVE THAT BOTH 18 19 1, 2, 3 AND 4 ALL NEED TO BE ANSWERED, AND THEN THERE IS AN 20 INSTRUCTION AS TO WHAT TO DO AFTER YOU'VE ANSWERED ALL THOSE 21 OUESTIONS BEFORE YOU GET TO DAMAGES, WE THINK THE VERDICT FORM SHOULD NOT BE ALTERED. 22 23 MR. REINES: THANK YOU, YOUR HONOR. THAT PROPOSAL CAUSES CONCERN BECAUSE GIVEN THE COMPOSITION 24 25 OF THE JURY AND THE AMOUNT OF TIME THEY HAVE BEEN OUT ALREADY,

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I DON'T THINK WE SHOULD BE REQUIRING THEM TO ANSWER UNNECESSARY QUESTIONS. IT COULD LEAD TO AN EXTENSION OF THE TIME AND POTENTIAL PERCEPTION IN THE JURY ROOM THAT THERE'S A HUNG JUROR.

WHAT I WOULD PROPOSE IS THE FOLLOWING: "IF A CLAIM IS INVALID, THERE CAN BE NO LIABILITY FOR INFRINGEMENT. SO, YOU NEED NOT ADDRESS THE INFRINGEMENT QUESTION FOR THAT PARTICULAR CLAIM."

WHICH IS ACCURATE, CONSISTENT WITH THE LAW, AND DOESN'T HAVE THE JURY DEBATING QUESTIONS THAT ARE UNNECESSARY TO THE POINT OF POTENTIAL CONFLICT.

THE COURT: WELL, I THINK WHAT I WILL TELL THEM IS, IF A CLAIM IS INVALID, IT IS NOT NECESSARY TO DETERMINE WHETHER IT'S BEEN INFRINGED BECAUSE IT'S INVALID. HOWEVER, IT COULD BE HELPFUL TO THE COURT FOR FUTURE REFERENCE. IF YOU ARE ABLE TO REACH AGREEMENT ON INFRINGEMENT, PLEASE DO SO. IF YOU'RE UNABLE TO REACH AGREEMENT ON INFRINGEMENT, OR HAVE NOT DONE SO BUT HAVE REACHED AGREEMENT ON VALIDITY, YOU MAY RETURN THAT VERDICT.

OBVIOUSLY I WOULD SAY IT A LITTLE BETTER THAN THAT, BUT SOMETHING ALONG THOSE LINES. IF THEY -- BECAUSE IF THEY ALREADY KNOW THAT IT IS OR ISN'T INFRINGED, WE MIGHT AS WELL FIND OUT. IT CAN'T HURT.

IF THAT'S GOING TO CAUSE THEM TO HANG UP, THEN YOU'RE RIGHT, I DON'T WANT THEM TO HANG UP OVER THAT. SO THAT WOULD

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HAVING THEM SPECULATE WHAT HAPPENS ON APPEAL, ALL OF THAT
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       DOESN'T MAKE SENSE.
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                THE COURT: I COULD SAY INVALIDITY VERDICTS CAN BE
      REVERSED ON APPEAL.
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               MR. REINES: I REALLY DON'T SEE -- I MEAN, JUST IN MY
       EXPERIENCE, GETTING THEM INVOLVED IN WHAT THE APPELLATE
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 7
      PROCESS IS.
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                THE COURT: YOU ARE SAYING I SHOULDN'T SAY ANYTHING
 9
      ABOUT IT.
               MR. REINES: NO, I THINK --
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11
                THE COURT: IT DOESN'T MAKE ANY SENSE. WHY AM I
      ASKING THEM TO DO IT THEN?
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               MR. REINES: THERE'S A LOT OF THINGS YOU ASK THEM TO
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14
      DO THAT THEY PROBABLY DON'T UNDERSTAND, RIGHT?
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                THE COURT: I GUESS THAT'S PROBABLY TRUE.
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               MR. REINES: IT'S NOT THAT IT DOESN'T MAKE SENSE, BUT
17
       YOU ARE NOT GIVING THE UNDERLYING RATIONALE, WHICH IS
       DIFFERENT THAN SAYING THAT IT DOESN'T MAKE SENSE.
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          WHAT I WOULD DO, WHICH IS, ON THE OTHER HAND, IF YOU'VE
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       DECIDED INFRINGEMENT OF THAT CLAIM, IT, RATHER THAN WOULD, IT
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       COULD BE HELPFUL TO THE COURT TO KNOW YOUR DECISION.
                THE COURT: OKAY. I GUESS I COULD DO THAT. JUST
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23
      CROSS OUT THE SENTENCE?
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                MR. REINES: I THINK SPECULATING ABOUT THE APPEAL AND
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       GETTING THEM INVOLVED IN THAT --
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1 MR. ELLWANGER: YOUR HONOR, WE WOULD DISAGREE. THIS

IS POINTING OUT THE FLAW IN THIS ENTIRE APPROACH.

FOR THAT REASON WE WOULD ACTUALLY STEER YOU TO THE NORTHERN DISTRICT OF CALIFORNIA MODEL VERDICT FORM, YOUR HONOR. IT SAYS, THE VERY FIRST LINE: "THE QUESTIONS REGARDING INFRINGEMENT SHOULD BE ANSWERED REGARDLESS OF YOUR FINDINGS WITH RESPECT TO THE VALIDITY OR INVALIDITY OF THE PATENT."

THE REASON THAT'S IN THERE, YOUR HONOR, IS TO AVOID THIS
WHOLE QUESTION OF COULD BE HELPFUL, WOULD BE HELPFUL, TALKING
ABOUT APPEALS. IF THEY CAN REACH A UNANIMOUS VERDICT ON
INFRINGEMENT, THEN THEY SHOULD.

IF THEY CAN'T AND ARE HUNG, THEN WE CAN KNOW THAT. THEN
WE CAN HAVE A RETRIAL ON INFRINGEMENT, IF WE HAVE TO, BUT WE
THINK REALLY IT NEEDS TO SAY, "IF YOU CAN REACH UNANIMOUS
VERDICT ON INFRINGEMENT, YOU MUST."

THE COURT: WHAT WOULD WE BE DOING ABOUT DAMAGES?

MR. ELLWANGER: AGAIN, I THINK THE INSTRUCTION ON SAYING THAT THE PATENT IS FOUND TO BE INVALID, THEN THERE CAN BE NO DAMAGES IS ACCURATE. BUT THERE IS CERTAINLY INSTANCES, EVEN I THINK LAST WEEK IN EAST TEXAS WHERE THERE WAS A RETRIAL ORDERED ON DAMAGES BECAUSE THE JURY WAS HUNG ON DAMAGES BUT THEY EARLIER FOUND INFRINGEMENT. SO THE RETRIAL WAS LIMITED TO JUST THAT ONE ISSUE.

IF WE DON'T HAVE THEM ANSWER THIS, LIKE THE VERDICT FORM

FOR WHICH I CAN PROVIDE AUTHORITY. 1 2 CREATING ANY CONFUSION ABOUT WHETHER AN INVALID CLAIM CAN 3 BE THE BASIS FOR A DAMAGE AWARD IS NOT SENSIBLE. THE COURT: WHAT DID YOU SAY? YOU WANT ME TO READ IT 4 5 WITHOUT THE FIRST SENTENCE? MR. ELLWANGER: WELL, I THINK THAT THAT MAY CLEAR UP 6 7 SOME OF THE ISSUES. THE VERDICT FORM IS ALREADY CLEAR, YOUR 8 HONOR, THAT IF THEY DO NOT ANSWER THAT IT IS INFRINGED AND 9 VALID, THEN THEY NEVER REACH THE DAMAGES QUESTION WITH RESPECT 10 TO THAT CLAIM. 11 SO WE ARE ADDING CONFUSION TO A VERDICT FORM THAT HAS BEEN 12 APPROVED BY BOTH PARTIES AND CONFORMS WITH THE RULES -- WITH 13 THE MODEL RULES OF THIS DISTRICT. THERE WAS NO OBJECTION TO THE ORDER OF THESE QUESTIONS OR 14 15 THE INSTRUCTION BEFORE NUMBER 5 ON DAMAGES BEFORE THIS PROCESS 16 BEGAN. 17 THE COURT: OKAY. IT'S A NON SEQUITUR. YOU WANT ME TO READ IT WITHOUT THE FIRST SENTENCE? THE FIRST SENTENCE 18 19 DOESN'T SAY ANYTHING ABOUT DAMAGES. I'M HAPPY TO READ IT WITHOUT ANY SENTENCES YOU WANT ME TO 20 21 READ IT WITHOUT. OR YOU HAVE A COPY THERE, YOU CAN READ IT TO 22 YOURSELF, BUT I'M NOT CLEAR ON YOUR POINT. 23 WHAT I'M NOW PROPOSING TO SAY IS: IF A SPECIFIC CLAIM OF A PATENT IS INVALID, IT DOES NOT MATTER IF IT IS INFRINGED. 24 25 NO DAMAGES COULD BE AWARDED FOR INFRINGING AN INVALID CLAIM.

SO, IF YOU HAVE FOUND A SPECIFIC CLAIM TO BE INVALID AND 1 2 CANNOT AGREE WHETHER IT HAS BEEN INFRINGED, YOU MAY DECIDE 3 INVALIDITY WITHOUT DECIDING INFRINGEMENT OF THAT CLAIM. ON THE OTHER HAND, IF YOU CAN AGREE ON INFRINGEMENT OF 4 5 THAT CLAIM, IT WOULD BE HELPFUL TO THE COURT TO KNOW YOUR DECISION. YOU NEED NOT DETERMINE DAMAGES WITH REGARD TO ANY 6 7 INVALID CLAIMS. 8 MR. REINES: THE ONLY THING I WOULD ADD, YOUR HONOR, 9 IS IN FRONT OF INFRINGEMENT, WHETHER THERE IS INFRINGEMENT. 10 JUST SO IT'S CLEAR THAT IT'S A QUESTION NOT "A". 11 THE COURT: THE WORD INFRINGED --12 MR. REINES: ON THE OTHER HAND, IF YOU'VE DECIDED 13 WHETHER THERE IS. 14 MR. ELLWANGER: WE ALSO HAVE TWO EDITS WE WOULD 15 SUGGEST, YOUR HONOR, ALTHOUGH, AGAIN, STANDING ON THE FACT THAT WE DON'T THINK THAT THIS VERDICT FORM SHOULD BE CHANGED, 16 17 BUT IN THE FIRST --THE COURT: I'M NOT CHANGING THE VERDICT FORM, I'M 18 19 JUST ANSWERING THEIR QUESTION. 20 GO ON. MR. ELLWANGER: THE FIRST SENTENCE WHERE IT SAYS, IT 21 22 DOES NOT MATTER IF IT IS INFRINGED. WE BELIEVE IT COULD 23 CHANGE TO SAY, IF THE SPECIFIC CLAIM OF A PATENT IS INVALID IT 24 IS NOT INFRINGED AS OPPOSED TO IT DOES NOT MATTER IF. CUTTING

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THAT PHRASE.

THE COURT: I'M NOT SURE THAT'S A TRUE STATEMENT. 1 2 INFRINGING MEANS IT PRACTICES THE CLAIMS. EVEN IF IT'S 3 INVALID, IF IT PRACTICES THE CLAIMS, IT PRACTICES THE CLAIMS. I'M NOT SURE IT'S STRICTLY SPEAKING LINGUISTICALLY CORRECT TO 4 5 SAY IT'S NOT INFRINGED. MR. ELLWANGER: IN THE FOURTH LINE, YOUR HONOR, WE 6 7 WOULD ALSO ASK, ON THE OTHER HAND, INSTEAD OF IT WOULD BE 8 HELPFUL TO THE COURT, THE COURT SHOULD KNOW YOUR DECISION. ΙF 9 YOU CAN REACH A UNANIMOUS CLAIM, THE COURT SHOULD KNOW YOUR 10 DECISION. 11 THE COURT: OKAY. 12 MR. REINES: CAN YOU REPEAT WHAT YOU HAVE FOR THE ON 13 THE OTHER HAND SENTENCE AT THIS POINT? 14 THE COURT: IF A SPECIFIC CLAIM OF A PATENT IS 15 INVALID, IT DOES NOT MATTER IF IT IS INFRINGED. NO DAMAGES 16 COULD BE AWARDED FOR INFRINGING AN INVALID CLAIM. 17 SO, IF YOU HAVE FOUND A SPECIFIC CLAIM TO BE INVALID AND 18 CANNOT AGREE WHETHER IT HAS BEEN INFRINGED, YOU MAY DECIDE 19 INVALIDITY WITHOUT DECIDING INFRINGEMENT OF THAT CLAIM. ON 20 THE OTHER HAND, IF YOU CAN AGREE WHETHER THERE IS INFRINGEMENT 21 OF THAT CLAIM, THE COURT SHOULD KNOW YOUR DECISION. YOU NEED 22 NOT DETERMINE DAMAGES WITH RESPECT TO ANY INVALID CLAIMS. 23 MR. REINES: THAT'S FINE. 24 THE COURT: THEY MAY NOT EVEN BE ASKING ABOUT THE

HANG QUESTION. THEY MAY JUST BE CURIOUS.

MR. ELLWANGER: WELL, AND ACTUALLY, YOUR HONOR, THIS 1 2 MAY BE CLEARED UP IF WE BEGIN WITH THE SENTENCE THAT YOU START 3 "SO", OBVIOUSLY DROPPING THE "SO". BUT JUST BEGINNING, IF YOU HAVE FOUND A SPECIFIC CLAIM TO BE INVALID AND CANNOT AGREE 4 5 WHETHER IT HAS BEEN INFRINGED, YOU MAY DECIDE INVALIDITY WITHOUT DECIDING INFRINGEMENT OF THAT CLAIM. 6 7 THE COURT: RIGHT, BUT THAT DOESN'T ANSWER THEIR QUESTION. 8 9 MR. REINES: IT DOESN'T ANSWER THE QUESTION. THAT'S THE PROBLEM. 10 11 THE COURT: IT'S SORT OF LIKE A NON SEQUITUR. THEY 12 DIDN'T SAY THEY COULDN'T AGREE ON SOMETHING. THEY ASKED A 13 QUESTION. AND THE ANSWER TO THE QUESTION IS THAT IT DOESN'T 14 MATTER. THERE COULD BE INFRINGEMENT LINGUISTICALLY, 15 THEORETICALLY, BUT IT WOULDN'T MATTER. 16 MR. ELLWANGER: WE WOULD ARGUE THAT IT DOES MATTER BECAUSE OF THE APPELLATE ISSUE. WE DON'T NEED TO TELL THE 17 18 JURY THAT, BUT BY ELIMINATING THAT AND BEGINNING IF YOU HAVE 19 FOUND A SPECIFIC CLAIM TO BE INVALID, IT TAKES CARE OF THAT 20 ISSUE BY STARTING THERE. 21 AND IT STILL DOES ANSWER THE OUESTION BECAUSE IT SAYS, IF 22 YOU HAVE FOUND A SPECIFIC CLAIM TO BE INVALID AND CANNOT AGREE 23 WHETHER IT HAS BEEN INFRINGED, YOU MAY DECIDE INVALIDITY 24 WITHOUT DECIDING INFRINGEMENT OF THAT CLAIM --

THE COURT: THAT MAY NOT BE THEIR QUESTION. THEY

1 DON'T SAY ANYTHING ABOUT NOT BEING ABLE TO DECIDE. THEY MAY 2 WELL HAVE DECIDED ALL OF THE INFRINGEMENT CLAIMS AND THEN GOT 3 TO INVALIDITY AND THOUGHT WHAT ARE WE THINKING HERE. WE JUST -- WE'RE ASSUMING THAT THEY HAVE A FAILURE TO 4 5 AGREE PROBLEM, BUT WE DON'T KNOW THAT. THEY DON'T SAY THAT. THEY MAY JUST BE CURIOUS. 6 7 MR. ELLWANGER: I MEAN, PART OF THAT, YOUR HONOR, 8 THOUGH, IS THEY ALSO DON'T ASK ABOUT DAMAGES. THE FIRST TWO 9 SENTENCES DEAL WITH THE FACT THAT DAMAGES CAN'T BE AWARDED FOR 10 INFRINGING AN INVALID CLAIM. SO THAT'S ANOTHER STEP OF 11 ANSWERING THE QUESTION THEY HAVEN'T YET ASKED. WE THINK THE 12 LESS OF THAT THE BETTER. 13 MR. REINES: ANYTHING THAT SUGGESTS THERE MIGHT BE 14 DAMAGES ARE AWARDABLE ON AN INVALID CLAIM. 15 THE COURT: I DON'T HAVE TO SAY IT TWICE. 16 (PAUSE IN THE PROCEEDINGS.) 17 THE COURT: SO WHAT DOES INFRINGEMENT ACTUALLY MEAN? 18 WOULD IT BE CORRECT AS A MATTER OF DEFINITION TO SAY YOU 19 INFRINGED AN INVALID CLAIM BECAUSE YOU PRACTICED EVERY ELEMENT OF IT? 20 21 MR. ELLWANGER: YES. 22 MR. REINES: IT WOULD BE LIABILITY TRIGGERING, BUT I 23 THINK THAT BOTH QUESTIONS CAN BE ANSWERED INDEPENDENTLY. 24 THE COURT: IT WOULD BE LIABILITY TRIGGERING? 25

MR. REINES: THERE COULD NOT BE -- IT CAN NEVER BE

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1
       LIABILITY TRIGGERING, I THINK EVERYONE AGREES, BUT THEY ARE
 2
       TWO SEPARATE QUESTIONS.
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               MR. ELLWANGER: TO ANSWER YOUR HONOR'S QUESTION, YES,
       YOU CAN INFRINGE AN INVALID CLAIM.
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               MR. REINES: THE BETTER WAY TO PUT IT IS THERE'S TWO
       SEPARATE INQUIRIES.
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 7
               MR. ELLWANGER: ONE IS OUR BURDEN AND ONE IS THEIR'S
 8
       THAT'S TRUE.
 9
                THE COURT: IS THERE, IN THESE INSTRUCTIONS, A
10
      DEFINITION OF INFRINGEMENT?
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               MR. ELLWANGER: IN YOUR INSTRUCTIONS OR IN THE
12
      VERDICT FORM?
13
                THE COURT: IN THE INSTRUCTIONS.
14
               MR. ELLWANGER: YES.
15
                THE COURT: WHERE?
16
               MR. ELLWANGER: I READ FROM IT IN CLOSING, YOUR
17
       HONOR. IF YOU CAN -- THERE IS A DISCUSSION OF DIRECT AND
       INDIRECT INFRINGEMENT.
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19
                THE COURT: IS THERE A DEFINITION OF INFRINGEMENT, IS
       WHAT I AM LOOKING FOR.
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21
                MR. REINES: YOU HAVE 271(A) VIOLATION AND THEN YOU
22
       HAVE LITERAL INFRINGEMENT. THERE'S A FEW DIFFERENT INQUIRIES.
23
       THERE'S DIRECT INFRINGEMENT, SO THERE'S DIFFERENT SPECIES OF
24
       IT.
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THE COURT: RIGHT. BUT I'M ASKING WHETHER IN MY

INSTRUCTIONS THAT I ALREADY GAVE THEM, DID I DEFINE FOR THEM 1 2 WHAT INFRINGEMENT IS. THAT'S WHAT I'M LOOKING FOR. IT SEEMS 3 THAT I DIDN'T. I CAN'T FIND IT. IT IS ALWAYS USEFUL TO BE CONSISTENT. 4 5 MR. REINES: THE STANDARD FEDERAL CIRCUIT ANSWER TO AT LEAST THE MAIN PART OF THIS OUESTION IS INVALID CLAIMS 6 7 CANNOT GIVE RISE TO LIABILITY FOR INFRINGEMENT. THAT'S WHAT'S REPEATED IN THE CASES. 8 9 THAT'S IN EXERGEN, MOST RECENT --10 MR. ELLWANGER: THERE'S A QUESTION OF LIABILITY, NOT 11 INFRINGEMENT ITSELF. 12 MR. REINES: YOUR HONOR, YOU DID DEFINE IT IN THE 13 GLOSSARY --14 THE COURT: DID OR DID NOT? 15 MR. REINES: DID. AND IT COMPLICATES THINGS TO MY 16 EYE A LITTLE BIT BECAUSE THERE'S A FEW SENTENCES, BUT THE 17 FIRST SENTENCE IS, VIOLATION OF A PATENT OCCURRING WHEN 18 SOMEONE MAKES, USES, OR SELLS A PATENTED INVENTION WITHOUT PERMISSION OF THE PATENT HOLDER WITHIN THE UNITED STATES 19 DURING THE TERM OF THE PATENT. 20 THAT'S THE PRIMARY SENTENCE. AND THEN THERE'S SOME THINGS 21 BREAKING DOWN DIRECT AND OTHERS. IT'S NOT A VIOLATION OF THE 22 23 PATENT. IT IS, HOWEVER, THERE IS -- THEY ARE INDEPENDENT 24 INQUIRIES. SO YOU CAN ANSWER THE QUESTION OF INFRINGEMENT

INDEPENDENT OF VALIDITY.

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THE COURT: I WAS LOOKING FOR SOMETHING THAT SAID INFRINGEMENT MEANS THAT THE ACCUSED DEVICE PRACTICES EVERY ELEMENT OF THE CLAIM.

MR. ELLWANGER: PAGE 8, YOUR HONOR, PATENTS CLAIMED DEFINE, WHAT IS COVERED BY THE PATENT. YOU MUST DECIDE WHETHER ADOBE HAS USED WITHIN THE UNITED STATES A METHOD COVERED BY A CLAIM OF DIGITAL REG'S PATENTS. IF ADOBE HAS DONE SO, IT INFRINGES. YOU MUST CONSIDER EACH OF THE ASSERTED CLAIMS OF THE PATENT INDIVIDUALLY AND DECIDE WHETHER ADOBE PRACTICES EVERY REQUIREMENT OF THAT CLAIM. IT CONTINUES.

MR. REINES: THEN THERE'S THE GLOSSARY ENTRY.

MR. ELLWANGER: YOU CONTINUE ON TO SAY, THE CLAIMS AT ISSUE ARE METHOD CLAIMS. METHOD CLAIMS ARE ONLY INFRINGED WHEN THE CLAIM PROCESS IS PERFORMED, NOT BY THE SALE OF THE APPARATUSES CAPABLE OF THE INFRINGING USE.

THERE'S TWO PAGES OF IT, YOUR HONOR.

YOUR INSTRUCTIONS ALSO SPECIFICALLY LAY OUT THAT THE JURY'S JOB IS TO DECIDE WHETHER THE ASSERTED CLAIMS OF THE '541 AND '670 PATENTS ARE INVALID AND HAVE BEEN INFRINGED BY ADOBE'S ACCUSED PRODUCTS. BOTH PRONGS.

IF YOU DECIDE THAT ANY CLAIM OF THE ASSERTED PATENT IS NOT INVALID AND HAS BEEN INFRINGED, THEN YOU WILL NEED TO DECIDE THE MONEY DAMAGES.

SO IT'S LAID OUT BOTH IN THE VERDICT FORM AND THEIR INSTRUCTIONS.

THE COURT: SO HOW ABOUT THIS: 1 2 IF A SPECIFIC CLAIM OF A PATENT IS INVALID, TECHNICALLY IT 3 CAN STILL BE INFRINGED. HOWEVER, THERE CAN BE NO LIABILITY OR DAMAGES FOR INFRINGING AN INVALID CLAIM. 4 5 SO, IF YOU HAVE FOUND A SPECIFIC CLAIM TO BE INVALID AND 6 CANNOT AGREE WHETHER IT HAS BEEN INFRINGED, YOU MAY DECIDE 7 INVALIDITY WITHOUT DECIDING INFRINGEMENT OF THAT CLAIM. ON 8 THE OTHER HAND, IF YOU CAN AGREE WHETHER THERE IS 9 INFRINGEMENT, THE COURT SHOULD KNOW YOUR DECISION. YOU WANT ME TO READ IT AGAIN? 10 11 MR. ELLWANGER: ONE MORE TIME, YOUR HONOR. 12 THE COURT: IF A SPECIFIC CLAIM OF A PATENT IS 13 INVALID, TECHNICALLY IT CAN STILL BE INFRINGED. HOWEVER, 14 THERE CAN BE NO LIABILITY OR DAMAGES FOR INFRINGING AN INVALID 15 CLAIM. 16 SO, IF YOU HAVE FOUND A SPECIFIC CLAIM TO BE INVALID AND 17 CANNOT AGREE WHETHER IT HAS BEEN INFRINGED, YOU MAY DECIDE INVALIDITY WITHOUT DECIDING INFRINGEMENT OF THAT CLAIM. ON 18 19 THE OTHER HAND, IF YOU CAN AGREE WHETHER THERE IS INFRINGEMENT 20 OF THAT CLAIM, THE COURT SHOULD KNOW YOUR DECISION. THAT'S PRETTY GOOD. 21 MR. ELLWANGER: I THINK WE ARE OKAY WITH THAT. 22 23 THE COURT: PARDON? MR. ELLWANGER: WE ARE OKAY WITH THAT, YOUR HONOR. 24

MR. REINES: THAT'S FINE, YOUR HONOR.

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THE COURT: ALL RIGHT. YOU CAN BRING THEM IN. I CAN
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       TYPE IT IN, BUT I THINK MAYBE I SHOULD READ IT.
 3
               MR. REINES: THAT SEEMS FINE.
              (PROCEEDINGS HELD IN THE PRESENCE OF THE JURY.)
 4
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                THE COURT: PLEASE BE SEATED.
           SO I HAVE A OUESTION FROM YOU WHICH READS: "IF A SPECIFIC
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       CLAIM OF A PATENT IS INVALID, CAN THERE STILL BE INFRINGEMENT
 8
       ON THAT CLAIM?"
 9
          AND MY ANSWER IS THAT: IF A SPECIFIC CLAIM OF A PATENT IS
10
       INVALID, TECHNICALLY IT CAN STILL BE INFRINGED. HOWEVER,
11
       THERE CAN BE NO LIABILITY OR DAMAGES FOR INFRINGING AN INVALID
12
       CLAIM.
13
           SO, IF YOU HAVE FOUND A SPECIFIC CLAIM TO BE INVALID AND
14
       CANNOT AGREE WHETHER IT HAS BEEN INFRINGED, YOU MAY DECIDE
15
       INVALIDITY WITHOUT DECIDING INFRINGEMENT OF THAT CLAIM. ON
16
       THE OTHER HAND, IF YOU CAN AGREE WHETHER THERE IS INFRINGEMENT
17
       OF THAT CLAIM, THE COURT SHOULD KNOW YOUR DECISION.
18
           SO I WILL TYPE THAT UP FOR YOU AND GIVE IT TO YOU, BUT
19
       THAT'S, I HOPE, A USEFUL ANSWER.
20
          ALL RIGHT. WE WILL SEND THAT IN FOR YOU. THANKS.
21
                (JURY CONTINUES DELIBERATION AT 10:26 A.M.)
22
                THE COURT: I HAVE IT TYPED. I CAN SEND YOU THE
23
       DOCUMENT, BUT I HAVE HANDWRITTEN MOST OF IT ANYWAY SO YOU
24
      MIGHT AS WELL TYPE IT OVER.
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THE CLERK: NO PROBLEM.

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MR. REINES: THANK YOU.
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                THE COURT: THANK YOU.
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           (RECESS AT 10:26 A.M.; RESUME AT 12:10 P.M.)
                THE CLERK: REMAIN SEATED. COME TO ORDER. COURT IS
 4
 5
      IN SESSION.
                THE COURT: SO WE HAVE A VERDICT. WE WILL BRING THEM
 6
 7
      IN.
 8
              (PROCEEDINGS HELD IN THE PRESENCE OF THE JURY.)
 9
                THE COURT: PLEASE BE SEATED. WE ARE STILL MISSING
10
      ONE PERSON.
11
          SO I UNDERSTAND YOU HAVE REACHED A UNANIMOUS VERDICT?
12
                JURY: (NOD HEADS.)
13
                THE COURT: ALL RIGHT. ALL RIGHT. THE CLERK WILL
14
      SPREAD THE VERDICT ON THE RECORD. AND WHEN SHE HAS, SHE WILL
15
      ASK IF THE VERDICT READ IS YOUR VERDICT. IF IT IS, YOU SHOULD
16
      ALL SAY "YES".
17
                THE CLERK: LADIES AND GENTLEMEN OF THE JURY, PLEASE
      LISTEN TO YOUR VERDICT AS IT SHALL STAND RECORDED.
18
          THE VERDICT READS: WE, THE JURY, IN THE ABOVE-TITLED
19
20
      ACTION RETURN THE FOLLOWING VERDICT ON THE QUESTIONS SUBMITTED
21
      TO US.
          INFRINGEMENT. NUMBER 1. DIRECT INFRINGEMENT.
22
23
          HAS DIGITAL REG PROVEN IT IS MORE LIKELY THAN NOT THAT
24
      ADOBE HAS INFRINGED ANY OF THE FOLLOWING CLAIMS. ENTER "YES"
25
      OR "NO" IN EACH BOX.
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ADOBE ACTIVATION. '650 (SIC) PATENT, CLAIM 45 --
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 2
                THE COURT: '670 PATENT, CLAIM 45.
 3
                THE CLERK: '670 PATENT, CLAIM 45. NO.
           ADOBE LIVECYCLE, '670 PATENT, CLAIM 45, INDEPENDENT, NO.
 4
 5
           '670 PATENT, CLAIM 52, DEPENDENT ON CLAIM 45, NO.
           2: INDIRECT INFRINGEMENT. HAS DIGITAL REG PROVEN IT IS
 6
 7
       MORE LIKELY THAN NOT THAT ADOBE DIRECTLY (SIC) INFRINGED
 8
       ANY --
 9
                THE COURT: INDIRECTLY.
10
                THE CLERK: -- INDIRECTLY INFRINGED ANY OF THE
11
      FOLLOWING CLAIMS. ENTER "YES" OR "NO" IN EACH BOX.
12
          ADOBE ACTIVATION: '541 PATENT, CLAIM 1, INDEPENDENT, NO
13
       DECISION.
14
           '541 PATENT, CLAIM 2 DEPENDENT ON CLAIM 1, NO DECISION.
15
           '541 PATENT, CLAIM 4, DEPENDENT ON CLAIM 1, NO DECISION.
16
           '540 (SIC) PATENT, CLAIM 13, DEPENDENT ON CLAIM 1, NO
17
       DECISION.
           '670 PATENT, CLAIM 45, INDEPENDENT, NO.
18
19
           ADOBE FLASH: '541 PATENT, CLAIM 1, INDEPENDENT, NO
20
       DECISION.
21
           '541 PATENT, CLAIM 2, DEPENDENT ON CLAIM 1, NO DECISION.
           '541 PATENT, CLAIM 4, DEPENDENT ON CLAIM 1, NO DECISION.
22
23
           '541 PATENT, CLAIM 13, DEPENDENT ON CLAIM 1, NO DECISION.
24
           ADOBE LIVECYCLE: '541 PATENT, CLAIM 1, INDEPENDENT, NO.
25
           '541 PATENT, CLAIM 2, DEPENDENT ON CLAIM 1, NO.
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'541 PATENT, CLAIM 4, DEPENDENT ON CLAIM 1, NO.
 1
 2
           '541 PATENT, CLAIM 13, DEPENDENT ON CLAIM 1, NO.
 3
           '670 PATENT, CLAIM 45, INDEPENDENT, NO.
           '670 PATENT, CLAIM 52, DEPENDENT ON CLAIM 45, NO.
 4
           INVALIDITY. ANTICIPATION: HAS ADOBE PROVEN THAT IT IS
 5
       HIGHLY PROBABLE THAT THE FOLLOWING CLAIMS OF DIGITAL REG'S
 6
 7
       PATENT WERE ANTICIPATED, OR, IN OTHER WORDS, NOT NEW? ENTER
 8
       "YES" OR "NO" IN EACH BOX.
 9
           ANTICIPATED: '670 PATENT, CLAIM 32, INDEPENDENT, NO.
10
           '670 PATENT, CLAIM 45, INDEPENDENT, NO.
11
           CLAIM 67 -- '670 PATENT, CLAIM 52, DEPENDENT ON CLAIM 45,
12
      NO.
13
           NUMBER 4, OBVIOUSNESS: HAS ADOBE PROVEN THAT IT IS HIGHLY
14
       PROBABLE THAT THE FOLLOWING CLAIMS OF DIGITAL REG'S PATENTS
15
       WOULD HAVE BEEN OBVIOUS TO A PERSON OF ORDINARY SKILL IN THE
16
       FIELD AT THE TIME THAT THE PATENT APPLICATION WAS FILED?
17
       ENTER "YES" OR "NO" IN EACH BOX.
           OBVIOUS: '541 PATENT, CLAIM 1, YES.
18
19
           '541 PATENT, CLAIM 2, DEPENDENT ON CLAIM 1, YES.
           '541, CLAIM 4, DEPENDENT ON CLAIM 1, YES.
20
           '541 PATENT, CLAIM 13, DEPENDENT ON CLAIM 1, YES.
21
           '670 PATENT, CLAIM 32, INDEPENDENT, YES.
22
23
           '670 PATENT, CLAIM 45, INDEPENDENT, YES.
           '670 PATENT, CLAIM 52, DEPENDENT ON 45, YES.
24
25
           IF YOU FOUND THAT --
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1 THE COURT: YOU DON'T NEED TO READ THE REST. THERE 2 ARE NO BLANKS FILLED IN FOR THE NEXT QUESTION OR FOR THE 3 QUESTION AFTER. THE CLERK: IS THE VERDICT AS READ YOUR VERDICT? 4 5 JURY: YES. THE CLERK: IS THE VERDICT UNANIMOUS? 6 7 JURY: YES. THE COURT: WOULD ANYONE CARE TO HAVE THE JURY 8 9 POLLED? MR. REINES: NO, YOUR HONOR. 10 11 MR. ELLWANGER: NO, YOUR HONOR. 12 THE COURT: ALL RIGHT. 13 WELL, WITH THAT THEN, IN A FEW MINUTES I WILL RELEASE YOU 14 FROM YOUR JURY SERVICE WITH THE THANKS OF THE COURT AND THE 15 THANKS, I'M SURE, OF ALL THE PARTIES. IT WAS A DIFFICULT AND 16 SOMEWHAT LENGTHY CASE AND CALLED FOR A LOT OF CONCENTRATION 17 AND EFFORT. I KNOW YOU ALL PAID CLOSE ATTENTION AND WERE EXTREMELY CONSCIENTIOUS IN YOUR DELIBERATIONS. SO WE VERY 18 MUCH APPRECIATE THAT. 19 20 MANY PEOPLE TRY TO GET OUT OF JURY SERVICE, DON'T COME IN, 21 HAVE EXCUSES, MAKE UP THINGS. AND WE APPRECIATE THAT EVEN 22 THOUGH I'M SURE IT WAS AS INCONVENIENT FOR YOU AS FOR OTHERS, 23 YOU UNDERSTOOD THAT THAT WAS WHAT WE NEEDED IN ORDER TO 24 RESOLVE DISPUTES IN THE JUSTICE SYSTEM, AND YOU WERE WILLING

TO STEP UP AND DO YOUR PART FOR THAT.

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YOU WILL BE EXCUSED, AT LEAST FROM FEDERAL JURY SERVICE FOR A YEAR. I CAN'T SPEAK FOR THE COUNTY COURTS. THEY MAY COUNT FEDERAL SERVICE AS AN EXCUSE FOR A YEAR, BUT I DO HOPE THAT YOU FOUND YOUR JURY SERVICE INTERESTING AND THAT WE DID THE BEST WE COULD TO MAKE IT AS EASY FOR YOU AS WE COULD.

AT THIS POINT I WILL RELEASE YOU FROM YOUR OBLIGATION NOT TO DISCUSS THE CASE AMONGST YOURSELVES OR WITH ANYONE ELSE. IF YOU WOULD LIKE TO DISCUSS THE CASE WITH OTHERS, YOU MAY.

AND, IN PARTICULAR, SOMETIMES THE ATTORNEYS OR PEOPLE INVOLVED WITH THE TRIAL LIKE TO SPEAK WITH JURORS AFTERWARDS TO FIND OUT WHAT THEY THOUGHT OR WHAT -- WHY THEY DID WHAT THEY DID, OR SO ON. IF YOU WOULD LIKE TO DO THAT, YOU MAY SPEAK WITH THE ATTORNEYS. IF YOU DON'T WISH TO, THAT'S PERFECTLY WITHIN YOUR RIGHTS AND YOU ARE UNDER NO OBLIGATION TO SPEAK WITH THEM. IF YOU DON'T WISH TO SPEAK WITH ANYONE, JUST SAY YOU DON'T WISH TO SPEAK WITH THEM, AND YOUR WISHES WILL BE HONORED. AND IF THEY'RE NOT, SEE MS. RILEY AND SHE WILL MAKE SURE THAT THEY ARE.

IF YOU DO DECIDE TO SPEAK WITH THE ATTORNEYS OR WITH ANYONE ELSE ABOUT THE CASE, I WOULD CAUTION YOU OR ADVISE YOU OR SUGGEST THAT YOU NOT DISCUSS CONVERSATIONS THAT WENT ON IN THE JURY ROOM, INTERIM VOTES THAT MIGHT HAVE BEEN TAKEN, WHAT OTHER PEOPLE THOUGHT. YOU MIGHT WANT TO DISCUSS WHAT YOU THOUGHT OR WHICH ELEMENTS OF THE PRESENTATION WERE USEFUL OR NOT USEFUL, BUT IT COULD LEAD TO DIFFICULTIES IF YOU TALK

ABOUT VOTE COUNTS AND WHAT OTHER PEOPLE SAID, AND THAT SORT OF 1 2 THING. 3 WE WILL -- MS. RILEY WILL COME BACK AND COLLECT FROM YOU THE COPIES OF THE JURY INSTRUCTIONS AND ANY NOTES THAT YOU 4 5 MIGHT HAVE. THOSE WILL BE DESTROYED. WE'LL PICK UP THE EXHIBITS YOU HAVE BACK THERE. SHE'LL PICK UP THE JURY BADGES. 6 7 DID DO THEY NEED TO GO BACK TO THE CLERK'S OFFICE FOR 8 ANYTHING? 9 THE CLERK: NO. 10 THE COURT: WE DID GIVE YOU A RAISE FOR A TEN-DAY OR 11 MORE TRIAL, YOU GET TEN EXTRA DOLLARS A DAY. THAT, I'M SURE, WILL MAKE A DIFFERENCE FOR YOU. AND IF THERE'S ANY ISSUES IN 12 13 TERMS OF YOUR PARKING OR COMPENSATION OR ANY OF THAT, YOU CAN 14 CHECK IN WITH THE CLERK'S OFFICE LATER ON. I WILL COME BACK TO THANK YOU PERSONALLY. I CAN'T DISCUSS 15 16 THE CASE WITH YOU, BUT IF YOU HAVE GENERAL QUESTIONS ABOUT THE 17 LEGAL SYSTEM OR COMMENTS ABOUT SOMETHING THAT MIGHT HAVE MADE 18 YOUR WORK EASIER, YOU CAN CERTAINLY TELL ME WHAT THOSE ARE. 19 SO, AGAIN, ON BEHALF OF THE PARTIES AND THE COURT, I THANK 20 YOU FOR YOUR SERVICE, AND YOU ARE EXCUSED. YOU CAN GO RIGHT THROUGH THE JURY ROOM. 21 22 THE CLERK: OKAY FOR ME TO GO WITH THEM, JUDGE? 23 THE COURT: YES. 24 (JURORS EXCUSED.) 25 THE COURT: I WILL EXPECT WHATEVER MOTIONS ANYONE